DISCUSSION OF THE APPRAISAL PROBLEM

There are normally three approaches to value which may be considered for estimating value of real estate. They are the cost, income capitalization, and sales comparison approaches. Any one, two or all three, or any combination of the three, may be considered, depending upon the appraisal problem and the type of property involved.

The cost approach takes into consideration the replacement cost of the improvements, less depreciation and obsolescence from all causes, plus the estimated value of the land. This approach is applicable when a property is proposed construction, new, or relatively new, and the factors of depreciation and/or obsolescence can be reasonably measured. It is also applicable when there is insufficient data available for performing the functions of the other approaches.

The income capitalization approach takes into consideration the annual rental income producing capabilities of the property. It assumes that an investor would purchase the property for the purpose of realizing an annual return on his invested equity. The amount of return expected is calculated on the basis of the amount of risk involved in the investment and the tax benefits of ownership.

The sales comparison approach takes into consideration sales and offerings of other properties which are considered somewhat competitive to the subject. This method is based on the principle of substitution. This principle assumes that no purchaser would be justified in paying more for a particular property than it would cost to acquire an equally desirable property. As no two properties are identical, certain adjustments are required to reflect market reactions to the various differences.

The subject is an older shopping center, built in 1981. Because of its age, most purchasers would not likely consider the cost of developing a new, similar building. Furthermore, there's some speculation involved in estimating depreciation and obsolescence for this type of property. As result, the cost approach is not applicable for estimating the subject value.

Scope of the Appraisal:

The appraiser has personally inspected the subject property. The appraiser has walked through the subject building, and made notes identifying the apparent quality and condition of the improvements. Any defects that were obvious to the appraiser has been noted and addressed in estimating market value. However, the appraiser has not evaluated mechanical, roof, or other components that are

not visually apparent to the appraiser. The adequacy and condition of these components is considered to be in keeping with the subject's age and overall condition unless noted otherwise.

Each approach is analyzed independently to conclude an indication of value for the subject.

In the income capitalization approach, the appraiser has estimated economic rent for the subject based primarily on buildings that are offered for rent in the subject's area. In addition, the appraiser has analyzed actual leases that have been verified. The appraiser has consulted with published reports, as well as personal investigation to estimate vacancies and expenses for this type of property. Two methods have been utilized in estimating overall capitalization rates. Net income is then capitalized into a reasonable indication of value.

The sales comparison approach utilizes sales of comparable properties in areas that are considered to be competitive to the subject. Sales data has been gathered primarily through brokers, buyers, and sellers who have been involved in the transactions. Each sale is analyzed, compared to the subject, and reconciled into an indication of value for the subject.

COST APPROACH TO VALUE

As discussed earlier, cost approach is not applicable for estimating the subject value.

INCOME CAPITALIZATION APPROACH TO VALUE

The income capitalization approach takes into consideration the annual income producing capabilities of the property. The annual income assumes the nature of an annuity. It is reduced to an annual net income before debt service. This annual net income is then capitalized by an appropriate rate into an indication of value. The appropriate rate can be extracted from the market through an analysis of sales of other similar or alternate type investments. This analysis and extraction results in a relationship between the sales price and the net income produced by the sale property.

Comparable Rental Properties

To estimate the economic rental rate for the subject, the appraiser has investigated rental rates of competitive properties. The following are considered applicable.

Comp ID: 4267

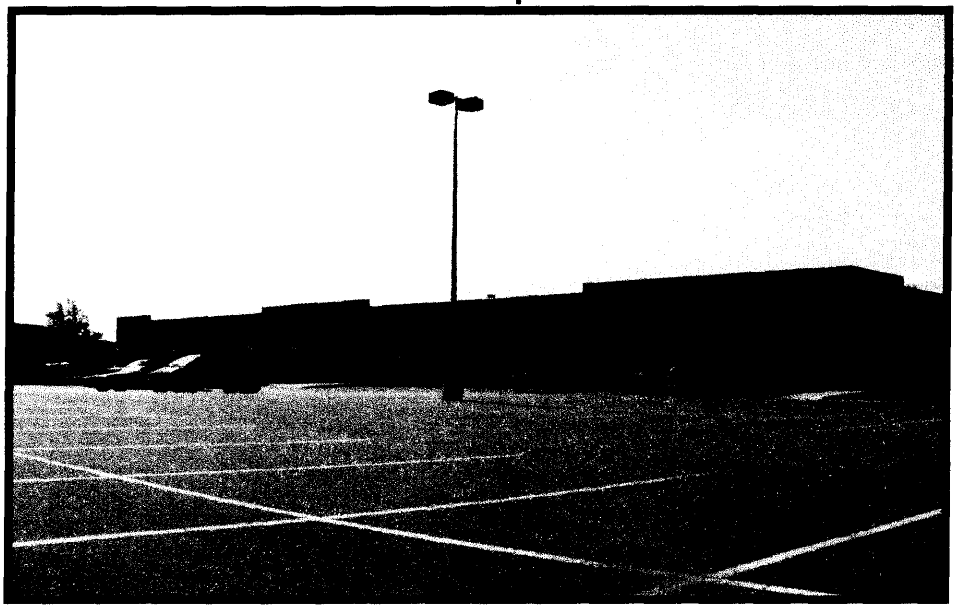
COMPARABLE IMPROVED LEASE - Strip Center COMP NO. 1

Address:	**Kmart Shopping Center** **67300-67500 Gratiot Ave** **Gratiot, just north of 31 Mile Road** **Richmond, MI**
Tenant:	Arbor Drugs, Inc. (CVS), The Glik Company (Glik's), Grondins, Kmart, New York Deli, Asin Enterprises, Radio Shack, Hallmark,Tropical Tan, Super Nails,
Occupancy:	77%
Lease Comments:	Typical small units are leased for $10.00 to $13.50, with an average lease rate of $11.77.
Improvement Data:	
Size:	155,685 Sq. Ft.
Year Built:	1981
Construct Type:	Brick and Concrete Block
Foundation:	Concrete Slab
Roof:	Flat
Parking:	Adequate Asphalt Surfaced
Zoning:	B-2, Commercial
Present Use:	Strip Center

HBU:	Strip Shopping Center
Confirmation:	Peter Beer & Ben Sorrentino (248) 557-1191
Lease Terms:	Triple Net
Average Rent:	$6.15 per Sq. Ft.

Comp ID: 4266

COMPARABLE IMPROVED LEASE - Strip Center COMP NO. 2



Address:	**Richmond Shopping Center** **66822 - 66898 Gratiot Ave** **Gratiot at 31 Mile Road** **Chesterfield Twp, MI**
Tenant:	Tenants include Blockbuster Video, Nail First, Belle Jewelry, Little Ceasers, Water to Go, H&R Block and Fantastic Sams.
Occupancy:	80%
Lease Comments:	Building is rapidly absorbing. The last unit is 2,800 square feet and can be split into two units.
Improvement Data:	
Size:	16,000 Sq. Ft.
Year Built:	2002
Construct Type:	Brick and Concrete Block
Foundation:	Concrete Slab
Roof:	Flat
Parking:	Adequate Asphalt Surfaced
Other Remarks:	Building is perpendicular to road.
Zoning:	B2 – General Commercial

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Present Use:	Strip Center
HBU:	Strip Center
Confirmation:	Becky Keglewitsch - Skilken Properties (800) 243-8654
Lease Terms:	Triple Net
Average Rent:	$15.00 per Sq. Ft.

Comp ID: 4265

COMPARABLE IMPROVED LEASE - Strip Center COMP NO. 3

Address:	**Lenox Square Shopping Center** **66901 Gratiot Ave** **Gratiot and 1 Mile Road** **Chesterfield Twp, MI**
Tenant:	Tenants include: Rite Aid Drugs, Jet's Pizza, Dollar General, Golden Buffet, Quality Dollar, Makin Waves, Modern Hair Care, Century 21, Secretary of State, Steel City and Prestige Portraits.
Occupancy:	88%
Lease Comments:	Units within this shopping center are leased at rates between \$3.00 and \$12.21/S.F. The building is mostly perpendicular to the road and units facing the road are leasing at an average rate of \$11.00/S.F. However, overall average rate is \$6.70 and leases are advertised at \$6.00/S.F.

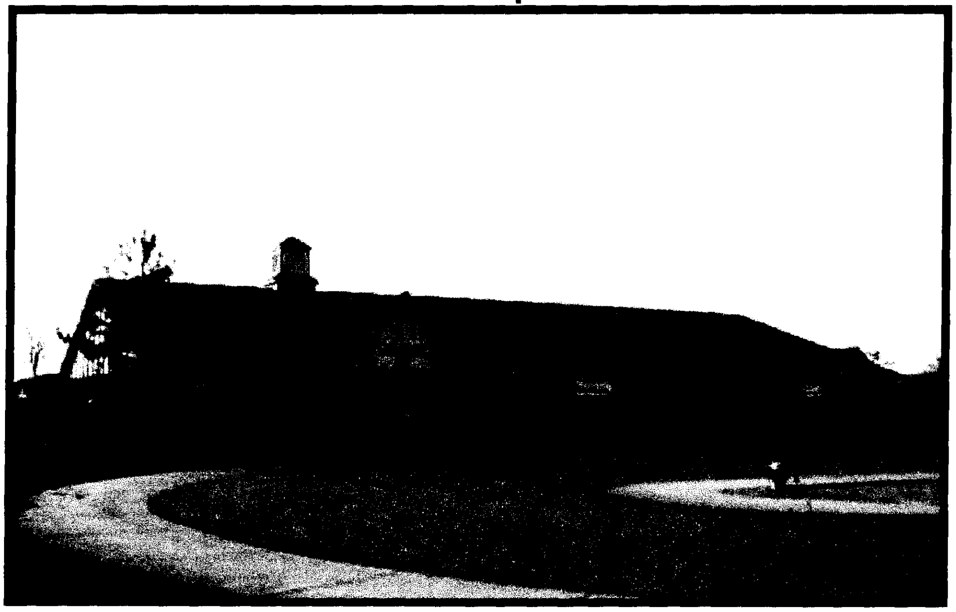
Improvement Data:

Size:	92,398 Sq. Ft.
Year Built:	1980 (Est.)
Construct Type:	Brick and Concrete Block
Foundation:	Concrete Slab
Roof:	Flat

Parking:	Adequate Asphalt Surfaced
Other Remarks:	12% vacancy.
Zoning:	B2 – General Commercial
Present Use:	Strip Center
HBU:	Strip Center
Confirmation:	Bob Mihelich - Trammell Crow Company (313) 442-4860
Lease Terms:	Triple Net
Average Rent:	$11.00 per Sq. Ft.

Comp ID: 4263

COMPARABLE IMPROVED LEASE - Strip Center COMP NO. 4



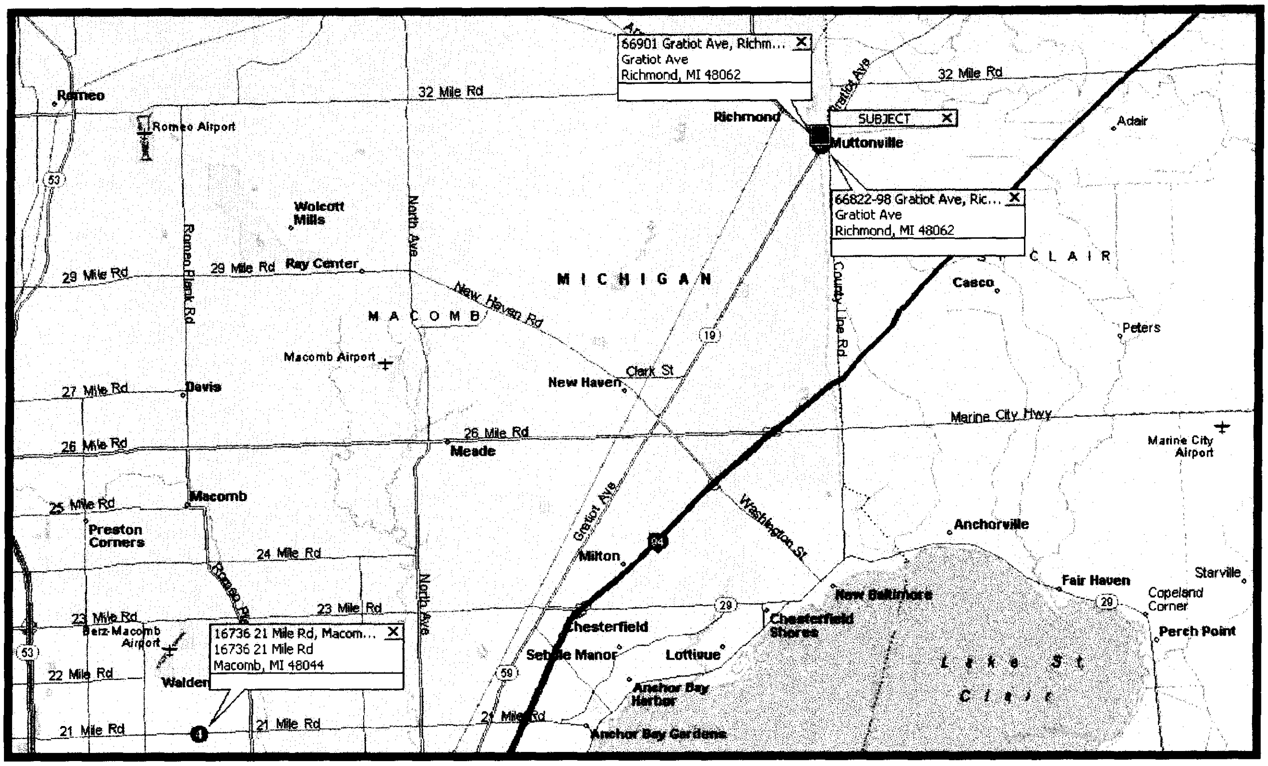
Address: **Country Meadows Plaza**
16736 -16852 21 Mile Road
Macomb Twp, MI

Improvement Data:

Size:	91,343 Sq. Ft.
Year Built:	1987
Construct Type:	Brick and Concrete Block
Foundation:	Concrete Slab
Roof:	Flat
Parking:	Adequate Asphalt Surfaced
Other Remarks:	Broker reported GSI at time of sale of $914,301 per year, or $10/S.F., NNN. Expenses at time of sale of $356,412 per year reported by broker.

Zoning:	C-2, General Business
Present Use:	Strip Center
HBU:	Strip Shopping Center
Confirmation:	Marcus & Millichap (248) 352-5050
Lease Terms:	Triple Net
Average Rent:	$10.00 per Sq. Ft.

Comparable Rental Map



File 407-103

Rental Adjustment Grid

Satellite Units

Item	Subject	Index #1	Index #2
Address	67300 - 67500 Main Street Richmond	67300-67500 Gratiot Ave Richmond	66822 - 66898 Gratiot Ave Chesterfield Twp
Price/S.F.	$12.00	$12.00	$15.00
Adj. Exp.	Triple Net	Triple Net	Triple Net
Adj. $/S.F.			
Age	1981	1981	2002 -15%
Location	Main Road	Main Road	Main Road
Design	Strip Center	Strip Center	Strip Center
Other			
Total Adj.		0	-15%
Adj. Price		$12.00	$12.75

Item	Subject	Index #3	Index #4
Address	67300 - 67500 Main Street Richmond	66901 Gratiot Ave Chesterfield Twp	16736 -16852 21 Mile Road Macomb Twp
Price/S.F.	$12.00	$12.00	$10.00
Adj. Exp.	Triple Net	Triple Net	Triple Net
Adj. $/S.F.			
Age	1981	1980 (Est.)	1987
Location	Main Road	Main Road	Main Road
Design	Strip Center	Strip Center	Strip Center
Other			No Anchor +5%
Total Adj.			+5%
Adj. Price		$12.00	$10.50

The above data indicates a wide range of $12.00 $15.00 per square foot.

Index #1 represents the current average rental rate of satellite units within the subject building. This building consists of a fourteen-unit strip shopping center that was built in 1981. Within the building there are ten satellite units. Tenants occupying these units include: Hallmark, Super Nails, The Cleaners, Tropical Tan, Glik's, New York Deli, Radio Shack and Grondins. Little Ceasers Pizza, Bell Jewelry and Fraser Optical formerly occupied the three vacant satellite units. No adjustment is made to Index #1.

Index #2 is a newly built shopping center located a short distance south of the subject that shares a parking lot with a Kroger store and has been open for approximately one and a half years. Asking rates within this shopping center are from $15 to $17/S.F., with typical space leasing for $15. This building is situated

perpendicular to Gratiot Avenue. A downward adjustment is used to reflect the subject's inferior age and design.

Index #3 is an anchored shopping center also located within a short distance south of the subject. This building is similar in age and design to the subject. The building is situated along Gratiot Avenue, but the majority of the storefronts are perpendicular to Gratiot. Leases within this building range from $3.00 to $12.21 with the larger tenants and stores not facing the road paying between $3.00 and $6.15, with units facing the road leasing at an average of $12.00. Considering this, no adjustment is considered necessary for this index.

Index #4 is a small, unanchored neighborhood center located on a main road. Due to the higher traffic generated by having an anchor store located within a shopping center, satellite units within an anchored shopping center typically lease at higher rates than satellite units within an unanchored shopping center. A slight upward adjustment of, say 5% is used to reflect the subject's superior anchored design.

After adjustment, a more narrow range of $10.50 to $13.50 is indicated, with an average rate of $12.00 per square foot. Placing equal credence in each of the indices, market rate for the satellite units is concluded to be $12.00, NNN.

The subject's current leases are as follows:

Unit	Tenant	SF	Rent/MO	Rent/YR	Rent/S.F.
	Anchor				
1	Kmart	89,175	$7,431.25	$367,408	$4.12
2	CVS	10,220	$851.67	$102,200	$10.00
	Satelite				
3	Glik's	6,208	$517.33	$55,872	$9.00
4	Grondins	1,200	$100.00	$15,000	$12.50
5	New York Deli	1,400	$116.67	$16,800	$12.00
6	Asin Enterprises	1,400	$116.67	$14,432	$10.31
7	Radio Shack	2,000	$166.67	$16,000	$8.00
8	John Mai	1,167	$97.25	$13,200	$11.31
9	SB&K, Inc.	5,600	$466.67	$75,600	$13.50
10	Tropical Tan	1,600	$133.33	$20,400	$12.75

The subject satellite leases range from $9.00 to $12.75/S.F., NNN. The most recent of these leases, New York Deli and Super Nails indicate a typical lease rate of $12.00/S.F. This actual lease rate generally supports the appraiser's opinion of market rent for the satellite units.

Anchor Units

The subject includes two large anchor units and one medium sized anchor unit. Comparable anchor lease rates are taken from Index #3 as follows:

Comparable anchor lease rates:

IGA – 32,390 S.F.	$6.15
Rite Aid – 11,180 S.F.	$9.84

Indices #2 and #4 do not include anchor lease rates. Typically, large anchor units will lease at a significant discount versus smaller satellite units. Due to their size, the subject anchor units are expected to lease at a substantially lower rate.

Index #3 includes units that are leasing at rates between $3.00 and $12.21. The units leased at the bottom of the range have inferior visibility to the subject units. This shopping center also includes a Rite Aid drug store leased at $9.84/S.F. that is similar in size to the subject CVS unit. Considering the superior visibility of the subject units, the anchor units are likely to lease at rates slightly above the bottom of the range, say $6.00, and the medium-sized CVS unit would likely lease at a rate similar to the Rite Aid store, say $10.00/S.F.

Index #3 includes a 32,390 square foot IGA grocery store leased at $6.15/S.F. The subject's larger anchor units would likely lease at a similar rate, and is considered to be a good indication of the subject's large anchor unit.

In discussions with local brokers, including the subject lease agent, Bob Mihelich - Trammell Crow Company (313) 442-4860, the large anchor units are expected to lease at a rate of $6.00/S.F., and the medium sized anchor unit would be expected to lease at a rate that is more similar to the adjacent satellite units, say $10.00/S.F.

Considering comparable lease rates of anchors, as well as the asking rates for the subject, market rate for the subject anchor units are considered to be $6.00/S.F., NNN for the larger anchor units and $10.00/S.F., NNN for the smaller anchor unit.

The subject's largest anchor unit is 89,175 square feet and is occupied by Kmart. This unit is currently leased for $4.12/S.F., and was originally written when the building was constructed in 1981. The lease included no escalators, and had an initial 25 years, ending in November 2006. However there are 10 5-year options to continue at the same rental rate, with no escalators.

The K-Mart lease is written on a net basis. However, there is a cap on the taxes paid by the tenant at $65,000. Any additional taxes are supposed to be deducted from the additional rent, but none have been deducted as far as the appraiser is able to distinguish. Furthermore, this cap probably could not legally be enforced, as it would be an undue hardship for the owner. As a result, the appraiser has disregarded the tax cap.

In any case, the existing lease rate of $4.12 per square foot appears to be below market, due to the lack of any escalators. It is, however, an indication that the options are likely to be exercised in 2006.

The other large 31,170 square foot anchor unit was formerly occupied by a Kroger supermarket and is currently vacant.

The subject's smaller sized anchor unit is 10,220 square feet and is occupied by a CVS drug store. It commenced in 1981 and expires in 2011. This unit is currently leased for $10.00/S.F. This rental rate is well in line with comparable anchor leases.

Fee Simple Estate:

To estimate the subject's fee simple estate, the appraiser has estimated anticipated income, based on market rent and market vacancies. A summary of annual income, based on market rent, is estimated as follows:

Annual Income:					
Annual Rent					
	Suite Type	Area S.F.	Unit Value		
	Large Anchor	120,345	$6.00	=	$722,070
	Small Anchor	10,220	$10.00	=	$102,200
	Satellite Units	25,120	$12.00	=	$301,440
	Total Rent				$1,125,710
Reimbursement for CAM		155,685	$3.07	=	$477,953
Total Income					$1,603,663
Less Vacancy and Credit Loss (10%)					$160,366
Effective Gross Income				=	$965,344
Less Expenses:					
	CAM Charges	155,685	$3.07	$477,953	
	Management/Legal (5%)			$48,267	
	Reserves			$24,069	
	Total				$72,336
Net Operating Income					**$893,008**

Vacancy and Credit Loss:

The factor for vacancy and credit loss allows for periods between tenants and is considered to reflect the current rental market for this type of property. After discussions with area landlords and brokers, in addition to the information received from the comparable rental properties and the subject, a typical marketing time of six (6) to twelve (12) months is indicated for the subject property's market area.

Typical leases in this area are usually written between a three to five year term. As the typical tenant will renew their lease at least once, an average lease term of, say, eight years is considered. Thus, the typical vacancy rate for the subject market area is calculated as follows:

$$\frac{9 \text{ months}}{96 \text{ months}} = 9.4\text{, say, } 10\%$$

The appraiser has also surveyed shopping centers of the surrounding area and found that many of the shopping centers have vacancies as high as 20%. Some shopping centers, however, have very few or no vacancies, and the average appears to be approximately 10%. While inferior shopping centers generally have the higher vacancies, the subject is a good quality shopping center located

in an area of little competition. As result, vacancies for the subject are estimated at 10%.

CAM Charges:

The owner normally collects a pro-rata share of real estate taxes, insurance, and common area maintenance (CAM), commonly referred to as CAM Charges. These items are reflected as income, then passed through as an expense. The amount for taxes is based on the current State Equalized Value and tax rate, and reflects the anticipated increase as a result of "un-capping" the taxable value. The total taxes are estimated at $275,276 per year, or $1.77 per square foot.

The amount for insurance is based on expenses of other similar buildings and reflects a cost of $0.30 per square foot, as is typical for this type of property.

The amount for Common Area Maintenance reflects snow plowing, lawn mowing, parking lot lighting, and other nominal maintenance items, such as periodic sweeping. Based on costs of other similar shopping centers, these costs are estimated at $1.00 per square foot of building area.

Total reimbursement income amounts to $3.07 per square foot of building area, which is considered to be reasonable for the subject.

Expenses:

The amount for reserves allows for maintaining roof, outer walls, heating/air conditioning units, as well as providing for new interior finish between tenants. Most owners would anticipate doing these renovations on a periodic basis, say, once every ten (10) years. The subject is an older but well maintained mid-sized commercial building. Therefore, the cost of these repairs is likely to be near $2.00 per square foot. Thus, the amount for reserves is estimated as follows:

$$\frac{\text{155,685 S.F. x \$2.00/S.F.}}{\text{10 years}} = \text{say, \$31,137}$$

The amount for management includes leasing commissions and accounting fees. Typical leasing commissions run near 7% of the gross lease amount. However, many tenants renew their lease at least once, which reduces the overall management rate. In addition, some agents will negotiate a slightly lower rate in order to handle the leasing of an entire building. Considering these factors, a leasing commission of 5% is considered typical for this type of building.

Overall Capitalization Rate:

Net income is converted into indication of value by dividing an overall capitalization rate. The capitalization rate must reflect the attitude of investors for this type of property, and must adequately reflect the perceived risk involved in the investment. Two methods are used to develop an appropriate capitalization rate for the subject. One method, resulting in a "built-up" rate, is based on current financing terms and investors expectations. In the second method, capitalization rates are extracted from actual market sales.

The Built-Up Rate:

The capitalization rate can be developed based on the amount of annual cash return required for this type of investment. The "built-up" rate is based on the band of investment theory. This rate is calculated using the amount of cash required to set aside the mortgage payment, as well as provide the equity investor with an adequate cash return on this portion of the investment.

In determining the amount of cash required to satisfy the mortgage payment, the appraiser has surveyed area banks to determine mortgage rates and terms. The appraiser's years of experience in this area indicates that actual mortgage rates and terms will vary, depending upon individual circumstances surrounding the loan.

A strong borrower with an abundance of additional collateral and security will generally negotiate a slightly lower rate than more typical borrowers. In addition, the rate is affected by the term of the loan. Most loans are written on a 5 year term, and are amortized over 15 years. Loans with a shorter term will generally be made at lower interest rates than the longer term loans. The following survey summarizes interviews with various loan officers in the Detroit metropolitan area. The results reflect typical financing terms for this grade of property.

Financial Institution	Date	Int. Rate	Amort	Term
Bank One	01-03	7.00% - 7.75%	20 yr Amort	5yr
Old Kent Bank	01-03	6.75% - 7.5%	15 yr Amort	5yr
Citizens Bank	01-03	6.5% - 7.5%	20 yr Amort	3 or 5yr
Paramount Bank	01-03	6.75% - 7.5%	20 yr Amort	3yr adjust.
Typical	01-03	7.0%		

Interest rates have changed dramatically over the past year. In the past, lenders have based rates on prime interest rates, and generally charged a premium over prime. However, prime rates reflect low, floating interest rates, whereas mortgage rates are generally fixed for three or five years. Commercial mortgages are more commonly linked with fixed Treasury Bills, since the cost of lending is typically 2.5% higher than the Treasury Bill rates. Therefore, interest rates are typically calculated as 3.1% to 3.5% over the corresponding Treasury Bond rate.

The above data indicates that this grade of property can generally be financed with a 15-year amortization at a say, 7.0% interest rate. Since most loan officers would finance up to 75% of the property's value, this mortgage constant (.10786) applies to 75% of the financing of this type of project. The return on equity, or equity cap rate, reflects the amount of cash return the equity owner will require on his cash investment. This rate must reflect the risk of the investment. In addition, this rate also reflects increasing property values, as well as reduction in the mortgage balance.

The return on equity, or equity cap rate, reflects the amount of cash return the equity owner will require on his cash investment. This rate must reflect the risk of the investment. In addition, this rate also reflects increasing property values, as well as reduction in the mortgage balance.

In arriving at equity financing requirements, the appraiser has consulted with individual investors, dual investors, investor surveys, and typical returns in the bond markets and money markets. Most investor surveys are for large multi-million income type properties and are not especially applicable for the subject.

The appraiser has found that most smaller investors anticipate equity yields that follow the yields of other alternative investments, such as key interest rates, bond rates, and treasury yields. Yields for various investments, as taken from a survey from local financial institutions, brokerage houses, and newspapers are summarized as follows (As of 01-03):

Prime Lending Rate	4.25%
New Home Mortgage Yields:	5.875%
1-year CD	2.85%
5-year CD:	4.31%
5-year Treasury Bond Yield:	2.9%
10-year Treasury Bond Yield:	3.96%
30-year Treasury Bond:	4.88%
Corporate Bonds (Aaa)	6.21%
Corporate Bonds (Baa)	7.45%

Equity cap rates are different than field rates, in that most investors anticipate an additional return from the property rising in value. Investors will require a lower equity cap rate in properties that are located in rapidly growing communities. In more typical suburban communities, equity cap rates generally follow the rates indicated by long term CD's and bond yields.

Corporate bonds have been yielding between 6% and 8%, and most investors would anticipate a return somewhere in this area. However, as seen by the treasury yields, short term rates are lower than long term rates. Real estate investments are generally long term investments. Therefore, most investors would anticipate a return on equity somewhere near, say, 8%.

The equity and mortgage capitalization rates are multiplied by the percentage that each is utilized in typical financing for this type of property. After multiplying the capitalization rates by the appropriate percentages, the proportionate rates are totaled to indicate the built-up capitalization rate as follows:

75% Mortgage x .10786	=	.08090
25% Equity x .08	=	.02000
		.10090
	Say,	10.0%

The Extracted Rate

The appropriate rate can also be extracted from the market as a relationship between the sale price and the net income before debt service. The following are rates extracted from similar and alternate type investments.

Extracted Overall Capitalization Rate – Multi-Tenant Industrial - Comp ID:1891

Address:	4260 Edgeland Road North of Normandy, East of Woodward Avenue Royal Oak, MI		
Seller:	Saulles & Dare, LLC		
Date of Sale:	08-16-2001	Liber / Page:	23599/103
Sale Price:	$1,110,000		
Zoning:	Heavy Industrial District	HBU:	Industrial
Sale History:	Seller willl continue as tenant until 2007. The building is currently 100% occupied.		
Present Use:	Multi-Tenant		
Sale Comments:	The original asking price was $1,250,000		

Site Data:

Size:	43,560 Sq. Ft. 1.000 Acres
Shape:	Triangular
Frontage:	169' x '
Utilities:	All Available
Access:	Industrial Subdivision
Site Comments:	The site is unusual in shape and almost forms a triangle.

Improvements

Size:	13,315 Sq. Ft.
Year Built:	1989
Construct Type:	Textured Concrete Block
Foundation:	Concrete Slab
Roof:	Flat
Parking:	Adequate

Comments:	Leases incorrectly total 14,335 S.F (overstated). It has 18' ht, over 50% is finished offices/eng. Due to its triangular shaped site, the building also has an unusual shape.
Land/Building Ratio:	3.3
Confirmation:	Seller, who is also tenant
Unit Value:	$83.36 Per Square Foot of building including land
Lease Income:	Lease rates are based on an incorrect net rentable area of 14,335 S.F. Building is over 50% offices. Lease rates range from $8.61-$10.81,sf, net. The average rental rate is $9.57/SF of rentable area.
Net Income:	Deducting 5% for vacancy, 5% management, and $.30/sf reserves (of actual building area), net operating income of $119,816 per year is indicated.
Overall Cap Rate	10.79%

Extracted Overall Capitalization Rate - Strip Center - Comp ID: 2113

Address:	Martin Plaza 19582-19598 Middlebelt Road East side, North of 7 Mile Road Livonia, MI		
Seller:	Livonia Martin Plaza LLC		
Buyer:	Neff Associates LLC		
Date of Sale:	08-27-2001	Liber / Page:	86104/
Sale Price:	$1,650,000	Market Time:	3 months
Zoning:	Commercial	HBU:	Commercial
Present Use:	Strip Center		

Site Data:

Size:	56,280 Sq. Ft. 1.292 Acres
Shape:	Rectangular
Frontage:	268' x 210'
Utilities:	All Available
Access:	Main Road
Site Comments:	The building has frontage on both Middlebelt and a residential side street.

Improvements

Size:	12,920 Sq. Ft.
Year Built:	1986
Construct Type:	Brick and Concrete Block
Foundation:	Concrete Slab
Roof:	Gable metal
Parking:	Adequate asphalt surfaced
Comments:	This is an eight unit strip shopping center. The average size of each unit is just over 1,600 S.F..

Land/Building Ratio:	4.4
Confirmation:	Thomas A. Duke, Listing Broker (248) 476-3700
Unit Value:	$127.71 Per Square Foot of building including land
Comments:	At the time of sale, August 2001, this building was fully leased with 8 tenants. The average lease rate at this time was $12.97 per S.F., NNN. Considering typical expenses of 5% for vacancy, 5% for management/legal and typical reserves of $3.00 per S.F. over 10 years, this building had a net income of $147,358.
Overall Cap Rate:	8.93%

Extracted Overall Capitalization Rate - Strip Center - Comp ID: 1973

Address:	Sorrentos Plaza 16853 Penrod Drive Northeast corner of Garfield Road and Penrod Drive Clinton Twp, MI
Seller:	Angham Konja, Saddi Pulus with AKSP, Inc.
Buyer:	Muneeb Darghali
Sale Price:	$600,000
Zoning:	B-2, Community Business District
HBU:	Commercial
Sale History:	The above sale price was pending as of August 2001. According to the purchase agreement, $460,000 is attributed to real estate, and $140,00 is attributed to the business. The $140,000 business value is further divided at $50,000 for goodwill and liquor license, $50,000 for equipment and fixtures, and $40,000 for a covenant not to compete.
Present Use:	Strip Center
Sale Comments:	Previously sold in February 1996 for $425,000. Andy Konaj purchased the subject from Pasqualino Lucci..
Site Data:	
Size:	27,578 Sq. Ft.
Access:	Corner
Improvements	
Size:	6,280 Sq. Ft.
Year Built:	1986
Construct Type:	Brick on Frame
Foundation:	Concrete Slab
Roof:	Gable with asphalt shingle
Parking:	Asphalt
Comments:	The building is currently divided into four rental units. 2,830 S.F. Penrod Market, 850 S.F. Cozy Corner

	Grooming, 1,285 S.F. Morrison Salon, 1,315 S.F. The Silk Phoenix
Land/Blg Ratio:	4.4
Confirmation:	Angham Konja, Seller
Unit Value:	$73.25 per square foot without business value. Annual Income: Assuming a rental rate of $8.50/SF, net, a vacancy rate of 5%, Management of 5%, and reserves of $$.30/sf, a net operating income of $46,291 is indicated.
Overall Cap Rate:	10.06%

Extracted Overall Capitalization Rate -
Strip Center - Comp ID: 1819

Address:	5-Unit Strip Shopping Center 1299 Auburn Road Between Livernios and Crooks Rochester Hills, MI
Seller:	Heather Square Inc
Buyer:	Turowshi Rochester
Date of Sale:	11-22-2000 Liber / Page: 22244/06
Sale Price:	$900,000
Market Time:	1 Month
Sale History:	Originally offered for sale at $950,000
Present Use:	Strip Center
Improvements	
Size:	6,400 Sq. Ft.
Year Built:	1994
Construct Type:	Brick and Concrete Block
Foundation:	Concrete Slab
Roof:	Flat
Parking:	Asphalt
Comments:	At sale, one unit was vacant and had never been leased.
Land/Building Ratio:	0.0
Confirmation:	Nick Najjar, C-21 (248) 260-0061
Unit Value:	$140.63 Per Square Foot of building including land
Annual Income:	Averages $15.00/SF per year, gross. Total $96,000. Market vacancies estimated at 5%, but one unit was vacant at time of sale, and had never been occupied.
Expenses:	Actual exp for Taxes, ins, and Cam: $14,000/yr or $2.19/sf;Other expenses include 5% management, $.20/sf reserves. Based on these expenses, a NOI of $71,360 is indicated.
Overall Cap Rate:	7.92%

Extracted Overall Capitalization Rate -
General Office - Comp ID: 1274

Address:	Macomb Professional Plaza 34051 Gratiot Ave North of 14 Mile Road Clinton Twp, MI		
Date of Sale:	01-01-2000		
Sale Price:	$1,200,000	Market Time:	6 months
Zoning:	OS-1, Office Service	HBU:	Office
Present Use:	General Office		
Sale Comments:	Property was sold to an investor rather than an owner-occupant.		

Site Data:

Size:	40,335 Sq. Ft.
	0.926 Acres
Shape:	Slightly Irregular
Frontage:	155' x 328/255'
Site Comments:	Located at the corner of a sidestreet

Improvements

Size:	13,118 Sq. Ft.
Year Built:	1988
Construct	
Type:	Brick and glass
Foundation:	Concrete Slab
Roof:	Flat
Parking:	Asphalt Surfaced
Comments:	Building has 10,100 s.f. of rentable space, and was 38% vacant at the time of sale.

Land/Building Ratio:	3.1
Confirmation:	Gary Housey, Oakwood Properties (248) 689-1111
Unit Value:	$91.48 Per Square Foot of building including land
Rent:	Leases range from 12.50 to $13.50/sf, net. Net charges, including utilities, amount to $5.87 /sf. The dentist in the building built it and was the seller.
Annual Income	Using an average rental rate of $13.00/sf of rentable area, and deducting 5% vacancies, 5% management, and $.30/sf for reserves, a net income of $115,468/year is indicated.
Overall Cap Rate:	9.62%

The built up cap rate indicates a rate of 9.0%. Extracted cap rates indicate a wider range of 7.92% to 10.79% averaging a rate of 9.46%. The built-up rate reflects the current financing, and general economic climate. Extracted capitalization rates better reflect actual rates extracted from sales, and will vary depending upon the purchaser's tax position, risk of the investment, other factors.

It is my opinion most credence should be given to the built-up rate. Due to the current economic climate and trend in the stock market, many investors are pleased with a modest return of 8 or 9 percent on their money. Considering that the subject is an older strip center, a slight premium would be expected. Therefore, based on my analysis above, it is my opinion the most applicable rate for the subject is 9.0%.

$893,008 (Net Income)		
10.0% (Overall Rate)	=	$8,930,080
	Say	$8,925,000

The value of the subject's **fee simple estate** via the income approach is estimated at, say, $8,925,000.

Yield Capitalization - Discounted Cash Flow

With the arrival of the computer age, investors, as well as bankers, appraisers and tenants, are able to analyze a particular property with a much higher degree

of sophistication. Often, the purchaser of this type of property will analyze the property, projecting the cash flow 5 or 10 years into the future. This type of analysis is done to demonstrate the effect of leverage, leases, or the anticipated reversion (sale of the property at the end of the period). This type of analysis is not done to predict the financial future of the project. Rather, it is a reflection of what the market currently anticipates regarding the subject's future financial performance.

Actual Leases:

The subject's actual leases are used. Income for the vacant anchor unit three vacant typical units along with the two units that are leased on a month to month basis are based on market rent.

Expenses:

In analyzing the subject's actual leases, the appraiser recognizes that the leases are written on a triple net basis. That is, the tenant pays taxes, insurance, and common area maintenance. Since these expenses are paid directly by the tenant, only reserves, management & legal expenses are reflected in the spreadsheet.

Vacancies:

In the yield capitalization, the appraiser has tried to best reflect the anticipated vacancies for the subject property. Based on current rent, and total space within the building, the building exhibits an occupancy rate of 77%. Those units that become vacant in time are examined as experiencing market vacancies.

As discussed previously, vacancies in the subject market are estimated at 10% of gross potential income.

Lease-up time for the vacant anchor unit is considered to be one year and lease-up time for the vacant typical units is estimated to be 6 months.

Reversion:

The sale proceeds or reversion at the end of the holding period is based on the projected 11th year's net income. The sale amount is estimated, and typical selling costs are deducted to arrive at the net sale proceeds.

The capitalization rate used in this process, also called the terminal capitalization rate, is typically higher than the capitalization rate used to estimate the property's current value. This can be explained by a number of factors. First, the reversion

portion of the investment is considered to be more risky, since it is projected number of years into the future. Therefore, the terminal capitalization rate should reflect the additional risk. Secondly, at the end of the holding period, the building will be 10 years older, and will likely have a shorter remaining economic life. These factors call for a terminal capitalization rate that is higher than the "going-in" capitalization rate.

Discount Rate:

After cash flows are projected over the 10-year holding period, they are then discounted to reflect a net present value. You will notice that the 10th year includes both the annual net income, plus the reversion. The discount rate or interest rate used to reflect its present value is based on current market interest rates, yields of competing investments such as stocks and bonds, and yields that real estate investors are currently anticipating in the market. The discount rate should reflect the risk of this particular investment.

Discount Rate - Investment Analysis:

In developing an accurate discount rate, the appraiser has analyzed yields of alternative investments. The subject development is compared in terms of risk with yields produced by the stock market. The appraiser has analyzed historical yields of various investments below. The analysis tends to reflect the yield required for risk-free investments, as well as a risk premium associated with more typical investments.

The following information was originally printed in Barrons (May 20, 1991, "Considering the alternatives: Comparing the Performance of 16 Different Investments), and was further analyzed in the Appraisal Journal (October, 1992, "Investment Return and Risk").

The appraiser has listed and analyzed those investments that are considered to best reflect the yield associated with a certain class of investment. In addition, inflation is included as a benchmark of real return.

	5-Yr Period		10-Yr Period		50-Yr Period	
Investment	Yield	Risk	Yield	Risk	Yield	Risk
Inflation	4.1%	1.6	4.5%	1.9	4.6	3.9
Treas. Bill	6.8%		8.5%	2.5	4.4	3.4
US Gov. Bonds	10.8%	9.4	3.7%	13.4	4.5	9.4
S&P 500 (Stock Mkt.)	13.2%	11.9	13.9%	12.6	11.6	16.1

In the above chart, the "yield" is actually the average annual return of the investment during the stated time frame. It includes annual income, as well as the return or loss in value of the investment during the year. The stated "Yield" reflects the annual return that was achieved by each class of investment.

The "Risk" factor is actually the standard deviation (expressed as a percent), and measures the likelihood that any one investment within that category will vary from the average yield. Or more simply stated, the higher the risk factor, the greater the changes that the yield of any one investment will differ significantly from the average yield.

Inflation is considered to be a "break-even" yield rate. The above chart indicates that inflation averages approximately 4.1% over the past five years. Inflation does not vary significantly when considering longer terms.

Treasury bills are considered short term investments that are virtually risk-free. Over the past five years, Treasury Bills have yielded 6.8% annually, indicating a 2.7% premium over inflation. Analyses over a longer period indicates yields that are both higher and lower than inflation. However, Treasury Bills are considered a benchmark for risk-free short term investments. Riskier investments and longer term investments would require higher risk premiums.

U.S. Government Bonds have offered relatively high yields over the past five and ten year periods. The relatively high yields are a result of falling interest rates during this time frame. The analysis does indicate, however, that most investors require some risk premium for longer term investments.

The "S. & P. 500" reflects prices of the top 500 stocks listed by Standard and Poors. In general, this investment represents yields of typical stock investments. This investment category represents a relatively typical risk factor, which has remained relatively stable over a long time frame. Although individual stocks offer much higher risk factors, the S & P 500 composite, as analyzed above, reflects relatively stable yields and consistent risk factors over several periods of time.

One flaw with the analysis above is that the information was taken from a report printed in 1991. Since that time, the stock market has experienced significant volatility, and in recent years has seen some significant declines. As of July, 2001, the following analysis reports the annualized yield on the stock market as indicated by the S&P 500:

<u>S&P500 Annualized Yields as of July, 2001:</u>

1 Yr	-14.3%
3 Yr	3.92%
5 Yr	15.29%

10 Yr	14.46%

(Return information provided by Fidelity.com, as of 7/31/2001)

The dismal performance of the stock market in recent years has dramatically shifted investors expectations. Long term results generally indicate that yields typically are somewhere between 10% and 12%, but the recent volatility has sent investors looking for other more secure investments. Considering the longer term yields of the stock market, and also considering the most recent dismal returns, most investors would likely anticipate a return of, say, 10% to 12% when weighing optional stock investments.

An industrial development offers a higher level of risk than an investment in the "S&P 500" composite. One reason for the higher risk is that this development is a large single investment. Stock investments, however, can be purchased in various sizes. As a result, stock investments can be diversified, offering a lower overall risk.

When comparing real estate development yields to the "S. & P. 500" composite, the typical investor would likely anticipate a 1% risk premium for real estate development investments. Thus, yields for typical real estate developments are estimated as follows:

S. & P. 500 yield:	10%% - 12%
Add Risk Factor:	+ 1% - 1%
Indicated Yield Range:	11% - 13%

The above indicates an average yield near 12%. However, the stock market in recent years has been quite volatile, and most investors would anticipate a return near the lower end of the range in the current market.

The appraiser has also referred to Korpacz Real Estate Investor's Survey. This source reports that the average internal rate of return required on CBD office developments during the second and third quarters of 2001 was near 11.24%. The subject, being a relatively small development, and being newer construction, would likely yield somewhere near the lower end of the range, say, near 11%.

Discount Rate - Compared to Overall Capitalization Rate:

The discount rate can also be extracted from the overall capitalization rate. As a general rule, when income and property value increases at a constant annual rate, the yield rate is equal to the overall capitalization rate plus the annual increases. In this instance, an overall capitalization rate of 10.0% is used, and an annual increase of 2% is used. If income and value increased at the same rate, a discount rate of 12.0% would be indicated.

Value, however, does not increase at the same rate as income. This is due to the higher terminal capitalization rate, plus the selling costs at the end of the holding period. As a result, the discount rate must be adjusted downward slightly to accommodate those factors. Using a complex formula that reflects these factors, a discount rate of 11.67% is indicated. The final discount rate used in the analysis is rounded to, say, 11.5%.

The income is discounted to a present value, indicating the subject's value based on the current leases. Details of the discounted cash flow analysis are included at the end of the income approach section of this report and are explained below.

67300 - 67500 Main Street, Richmond, MI

ANNUAL INCOME:	YEAR:	1	2	3	4	5	6	7	8	9	10	11
CONTRACT RENT:												
Space Leased:		119,070	117,837	116,903	111,237	109,703	107,603	105,603	105,603	105,603	105,603	105,603
Average Rental Rate:		$5.78	$5.77	$5.77	$5.58	$5.44	$5.22	$5.17	$5.21	$5.33	$5.33	$5.33
Total Contract Rent:		$688,515	$679,699	$674,506	$620,487	$596,312	$562,189	$545,570	$549,887	$562,348	$562,348	$562,348
RENT AT MARKET RATE:												
Space Available:		36,615	37,848	38,782	44,448	45,982	48,082	50,082	50,082	50,082	50,082	50,082
Average Market Rental Rate:		$6.89	$7.20	$7.47	$8.27	$8.59	$8.95	$9.31	$9.49	$9.68	$9.88	$10.08
Gross Rent at Mkt:		$252,360	$272,503	$289,606	$367,560	$394,828	$430,552	$466,191	$475,515	$485,025	$494,725	$504,620
Less Vacancy (on unleased)		85%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Rent at Market:		$36,990	$245,253	$260,645	$330,804	$355,345	$387,497	$419,572	$427,963	$436,522	$445,253	$454,158
CONTRACT REIMBURSEMENT:		365,326	368,773	373,169	362,182	364,333	364,505	364,885	372,182	379,626	387,219	394,963
REIMBURSEMENT AT MARKET:		112,341	118,447	123,796	144,722	152,709	162,878	173,046	176,507	180,037	183,638	187,310
GROSS ANNUAL INCOME:		$1,203,172	$1,412,172	$1,432,116	$1,458,194	$1,468,699	$1,477,068	$1,503,072	$1,526,539	$1,558,533	$1,578,457	$1,598,779
TOTAL EFFECTIVE OCCUPANCY:		78.5%	97.6%	97.5%	97.1%	97.0%	96.9%	96.8%	96.8%	96.8%	96.8%	96.8%
EXPENSES:												
REAL ESTATE TAXES:		$275,276	$280,782	$286,397	$292,125	$297,968	$303,927	$310,006	$316,206	$322,530	$328,981	$335,560
INSURANCE:		46,706	47,640	48,592	49,564	50,556	51,567	52,598	53,650	54,723	55,817	56,934
COMMON AREA MAINTENANCE:		155,685	158,799	161,975	165,214	168,518	171,889	175,327	178,833	182,410	186,058	189,779
REPLACEMENT RESERVES:		31,137	31,760	32,395	33,043	33,704	34,378	35,065	35,767	36,482	37,212	37,956
MANAGEMENT & LEGAL:	5.00%	36,275	46,248	46,758	47,565	47,583	47,484	48,257	48,893	49,944	50,380	50,825
TOTAL EXPENSES:		$545,079	$565,227	$576,117	$587,511	$598,328	$609,245	$621,253	$633,348	$646,088	$658,448	$671,054
NET OPERATING INCOME:		$658,093	$846,944	$855,999	$870,683	$870,371	$867,824	$881,819	$893,191	$912,445	$920,009	$927,725

REVERSION (BASED ON 11th YEAR)					
TERMINAL CAP RATE:	10.00%				
SELLING COSTS:	5%				
PRESENT VALUE - DISCOUNTED AT:		10.50%	11.50%	12.50%	
PRESENT VALUE OF FUTURE INCOME:		$5,063,325	$4,846,786	$4,644,167	(BASED ON YEARS 1 - 10)
PRESENT VALUE OF REVERSION:		3,247,281	2,967,523	2,714,048	(PRESENT VALUE OF REVERSION)
TOTAL NET PRESENT VALUE:		$8,310,606	$7,814,309	$7,358,215	

ESTIMATED SELLING PRICE:		9,277,247
LESS-SELLING COSTS:	5%	(463,862)
ESTIMATED REVERSION:		8,813,384

File 407-103

The above summary reflects the subject's market value of $7,814,309. A wider range is indicated when considering a range of discount rates. The subject is currently occupied and would be attractive to certain investor type purchasers. Therefore, it is my opinion the final value be rounded to say, $7,825,000.

Summary - Income Approach:

Values indicated within the income approach:

Direct Capitalization -	
Fee Simple Estate:	$8,925,000
Yield Capitalization -	
Leased Fee Estate:	$7,825,000

The subject has been analyzed using direct capitalization and yield capitalization. Yield capitalization reflects the subject's value based on existing leases. Direct capitalization reflects the subject's value based on market rent. Both analyses indicate very similar values

The appraiser has also estimated the value of the leased fee estate using the direct capitalization approach. By capitalizing the first year income of $658,093 at 10.0%, a value of $6,580,930 is indicated. The significantly lower value reflects the current vacancies, which are higher than normal. It des not reflect anticipated absorption of the vacant space.

The value of the leased fee estate, based on existing leases, indicates a slightly lower value than the fee simple estate. This approach best reflect the subject's current and anticipated future cash flows, and best reflects the reasoning of the typical investor type purchaser. The lower value, however, better reflects the more detailed analysis of net charges. More specifically, the leased fee estate better reflects the way the owner is required to absorb the net charges associated with the vacant space.

Since the purpose of the appraisal is to estimate the subject's value based upon the actual leases, it is my opinion market value of the subject's "leased fee estate" be resolved at $7,825,000.

Required Repairs:

The shopping center exhibits some deferred maintenance in the way of deteriorated parking lot lighting poles. There are at least two light fixtures that are broken. One of them is completely missing, except for the base, and the other is toppled over at the base. There are 18 poles, and most purchasers would reflect the cost of replacing the pole lighting when purchasing the property.

To determine the cost to cure the parking lot light poles, the appraiser has consulted the "Marshall Valuation Service", a national cost estimating service with regional adjustments. The cost of these items is estimated using Marshall Valuation Service, Section 66, Pages 1-8, as follows:

Yard Lighting - 25 Foot Pole x $80/Ft	$2,000
4 Metal Halide Light Fixtures x $1,125/Fixture	$4,500
Total	$6,500
18 Light Poles x $6,500 each	= $117,000

Deducting the cost to cure of $117,000 indicates a value of, say, $7,700,000.

Detail of Tenants and Lease Terms

Suite # Tenant Name	Suite Size SF	Market (Net=1) Market Rent	Terms Tx	Terms Ins	Terms C	Mkt Vacancy yr 1	2	3	(For Anniversary) Rem Mos	Lease date Mo	Lease date Year	Actual Lease Lease Term Tx	Ins	Cam	Rent /SF	Current Rent/Mo	year 1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011
Summary of All Suites:	155,685														$4.48	$58,076								
1 CVS	10,220	$10.00	1	1	1	10%	10%	10%	11	12	2001	1	1	1	$10.00	$8,517	$8,517	$8,517	$9,368	$9,368	$9,368	$9,649	$9,939	$11,072
2 Glik's	6,208	$12.00	1	1	1	10%	10%	10%	7	8	1999	1	1	1	$9.00	$4,656	$5,173	$5,173	$5,173	$5,173	$5,173	$5,173	$5,173	$5,173
3 Grondins	1,200	$12.00	1	1	1	10%	10%	10%	3	4	2003	1	1	1	$12.50	$1,250	$0	$0	$0	$0	$0	$0	$0	$0
4 KMart	89,175	$6.00	1	1	1	10%	10%	10%	10	11	1981	1	1	1	$4.12	$30,617	$30,617	$30,617	$30,617	$30,617	$30,617	$30,617	$30,617	$30,617
5 New York Deli	1,400	$12.00	1	1	1	10%	10%	10%	8	9	2000	1	1	1	$12.00	$1,400	$1,400	$1,400	$2,400	$2,550	$0	$0	$0	$0
6 Asin Ent.	1,400	$12.00	1	1	1	10%	10%	10%	4	5	1992	1	1	1	$10.31	$1,203	$1,203	$0	$0	$0	$0	$0	$0	$0
7 Radio Shack	2,000	$12.00	1	1	1	10%	10%	10%	12	1	2003	1	1	1	$8.00	$1,333	$1,333	$1,333	$1,667	$1,667	$1,667	$0	$0	$0
8 Super Nails	1,167	$12.00	1	1	1	10%	10%	10%	12	1	2003	1	1	1	$11.31	$1,100	$1,100	$1,100	$1,143	$1,167	$0	$0	$0	$0
9 Hallmark	5,600	$12.00	1	1	1	10%	10%	10%	11	12	2001	1	1	1	$13.50	$6,300	$6,300	$6,300	$0	$0	$0	$0	$0	$0
10 Tropical Tan	1,600	$12.00	1	1	1	10%	10%	10%	8	9	2001	1	1	1	$12.75	$1,700	$1,767	$1,867	$1,933	$0	$0	$0	$0	$0
11 Vacant Anchor	31,170	$6.00	1	1	1	100%	10%	10%	11						$0.00		$0	$0	$0	$0	$0	$0	$0	$0
12 Vacant Unit	4,545	$12.00	1	1	1	50%	10%	10%	11						$0.00		$0	$0	$0	$0	$0	$0	$0	$0

Summary of Annual Contract Rental Rates:

Suite Tenant Name:	Year Size	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 2014
Summary of All Tenants:	155,685											
1 CVS	10,220	$10.00	$10.00	$11.00	$11.00	$11.00	$11.33	$11.67	$13.00	$13.00	$13.00	$13.00
2 Glik's	6,208	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00
3 Grondins	1,200											
4 KMart	89,175	$4.12	$4.12	$4.12	$4.12	$4.12	$4.12	$4.12	$4.12	$4.12	$4.12	$4.12
5 New York Deli	1,400	$12.00	$12.00	$20.57	$21.86							
6 Asin Ent.	1,400	$10.31										
7 Radio Shack	2,000	$8.00	$8.00	$10.00	$10.00	$10.00						
8 Super Nails	1,167	$11.31	$11.31	$11.75	$12.00							
9 Hallmark	5,600	$13.50	$13.50									
10 Tropical Tan	1,600	$13.25	$14.00	$14.50								
11 Vacant Anchor	31,170											
12 Vacant Unit	4,545											

Summary of Annual Contract Rent:

Suite Tenant Name:	Year Size	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 2014
Summary of All Tenants:	155,685	688,515	679,699	674,506	620,487	596,312	562,189	545,570	549,887	562,348	562,348	562,348
1 CVS	10,220	102,200	102,200	103,052	112,420	112,420	112,701	116,082	120,399	132,860	132,860	132,860
2 Glik's	6,208	58,459	62,080	62,080	62,080	62,080	62,080	62,080	62,080	62,080	62,080	62,080
3 Grondins	1,200	3,750	0	0	0	0	0	0	0	0	0	0
4 KMart	89,175	367,408	367,408	367,408	367,408	367,408	367,408	367,408	367,408	367,408	367,408	367,408
5 New York Deli	1,400	16,800	16,800	20,800	29,400	20,400	0	0	0	0	0	0
6 Asin Ent.	1,400	14,432	4,811	0	0	0	0	0	0	0	0	0
7 Radio Shack	2,000	16,000	16,000	16,000	20,000	20,000	20,000	0	0	0	0	0
8 Super Nails	1,167	13,200	13,200	13,200	13,712	14,004	0	0	0	0	0	0
9 Hallmark	5,600	75,600	75,600	69,300	0	0	0	0	0	0	0	0
10 Tropical Tan	1,600	20,667	21,600	22,667	15,467	0	0	0	0	0	0	0
11 Vacant Anchor	31,170	0	0	0	0	0	0	0	0	0	0	0
12 Vacant Unit	4,545	0	0	0	0	0	0	0	0	0	0	0

Summary of Rent at Market Rates - After Vacancies:

Suite Tenant Name:	Size	Year %	1 2004	2 2005	3 2006	4 2007	5 2008	6 2009	7 2010	8 2011	9 2012	10 2013	11 2014
Summary of All Tenant	######	1	36,990	245,253	260,645	330,804	355,345	387,497	419,572	427,963	436,522	445,253	454,158
1 CVS	10,220	7%	0	0	0	0	0	0	0	0	0	0	0
2 Glik's	6,208	4%	0	0	0	0	0	0	0	0	0	0	0
3 Grondins	1,200	1%	9,720	13,219	13,484	13,753	14,028	14,309	14,595	14,887	15,185	15,488	15,798
4 KMart	89,175	57%	0	0	0	0	0	0	0	0	0	0	0
5 New York Deli	1,400	1%	0	0	0	0	5,455	16,694	17,028	17,368	17,715	18,070	18,431
6 Asin Ent.	1,400	1%	0	10,282	15,731	16,045	16,366	16,694	17,028	17,368	17,715	18,070	18,431
7 Radio Shack	2,000	1%	0	0	0	0	0	0	24,325	24,812	25,308	25,814	26,330
8 Super Nails	1,167	1%	0	0	0	0	0	13,915	14,194	14,478	14,767	15,062	15,364
9 Hallmark	5,600	4%	0	0	5,244	64,182	65,465	66,775	68,110	69,473	70,862	72,279	73,725
10 Tropical Tan	1,600	1%	0	0	0	6,113	18,704	19,079	19,460	19,849	20,246	20,651	21,064
11 Vacant Anchor	31,170	20%	0	171,684	175,118	178,620	182,193	185,837	189,553	193,344	197,211	201,156	205,179
12 Vacant Unit	4,545	3%	27,270	50,068	51,069	52,090	53,132	54,195	55,279	56,384	57,512	58,662	59,836

F

SALES COMPARISON APPROACH TO VALUE

The sales comparison approach requires the comparing of subject property with similar type properties located in similar areas for which market data is available. The significant and relevant facts concerning each sale are assembled and measured against the corresponding facts about the subject property and proper allowances are made for dissimilarities which affect the relative desirability and utility of the properties being considered.

The sales comparison approach is based on the principle of substitution. That is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property. The data is reduced to a unit value per square foot of building including land, as the typical purchaser would use. The appraiser then adjusts the unit value to reflect the various differences between the sale property and the subject. Typical purchases in the real estate market seldom resort to making specific percentage or dollar adjustments. However, all buyers and sellers are cognizant of the superior of inferior characteristics of a particular property. The indicated differences in the analysis are considered reasonable, and are to show the overall relationship of comparable property to the subject property. The intention is to demonstrate a realistic range of value for subject.

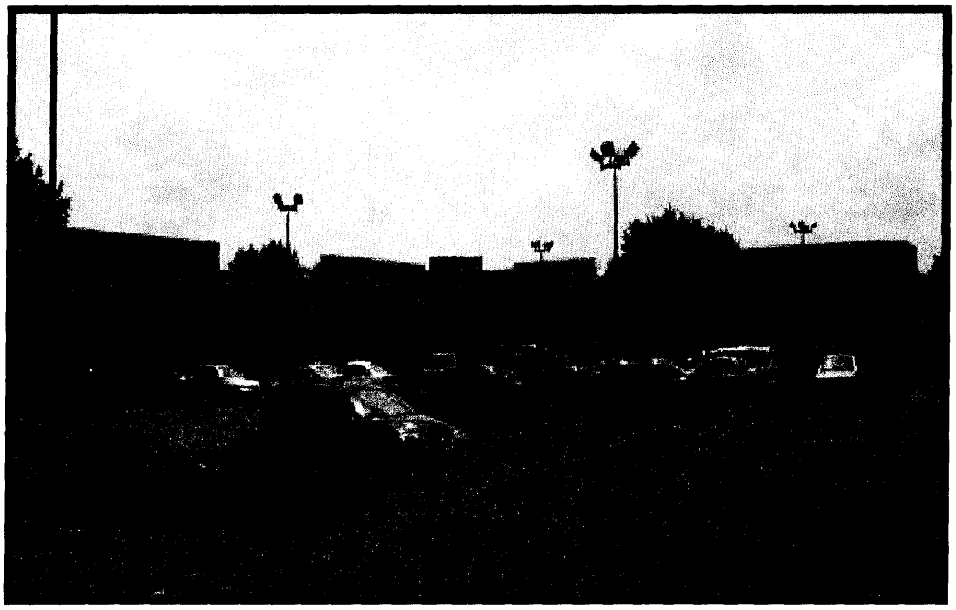
The discussion and analysis serve as an appraisal tool which is utilized by the appraiser in the construction of his final opinion of value. This is a guide, primarily for the benefit of the reader, and the final estimate of value is based upon my opinion after consideration of all factors affecting value in the immediate area and general vicinity.

Comparable Sales

The appraiser has made a diligent and thorough check in the market for sales and offerings of properties considered somewhat similar to the subject. The following lists and briefly describes each of these sales. Those considered most comparable to subject have been analyzed on the following pages.

Comp ID: 4264

COMPARABLE IMPROVED SALE - Strip Center COMP NO. 1



Address:	**Pinebrook Plaza** **23800 Schoenherr Road** **At Schoenherr and Stephens** **Warren, MI**
Tax ID:	13-25-301-012
Seller:	Pinebrook Plaza, LLC
Buyer:	Kanaan Paul Jajeh, Tr.
Date of Sale:	11-17-2003
Liber / Page:	14866/321
Sale Price:	$1,300,000
Market Time:	120 Days
Zoning:	MU - Warren
HBU:	Strip Shopping Center
Present Use:	Strip Center
Sale Comments:	The property was 70% occupied at the time of sale. There were no anchors occupying the subject.

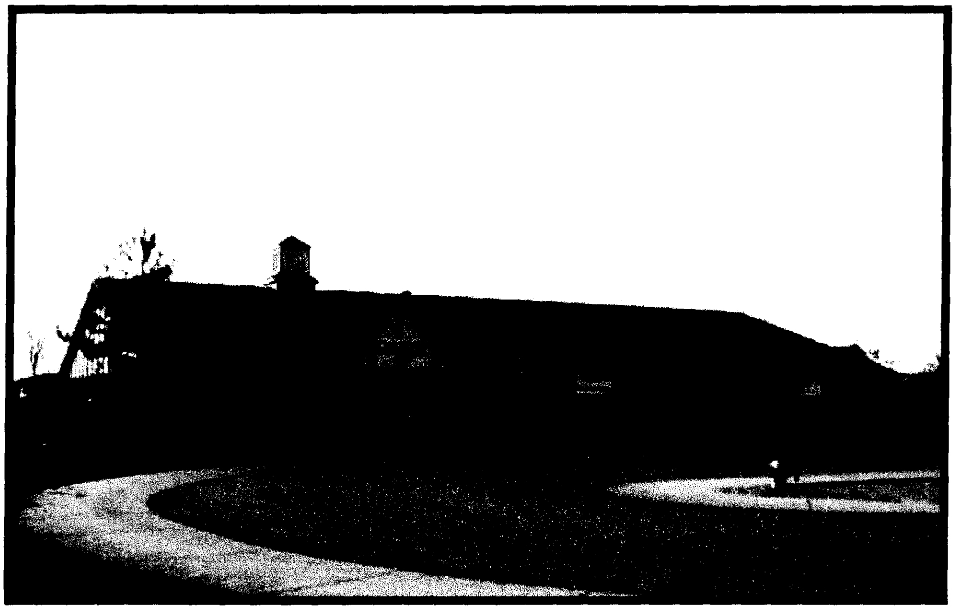
Site Data:

Size:	108,028 Sq. Ft. 2.480 Acres

Shape:	Irregular
Frontage:	384
Utilities:	All Available
Access:	Main Road
Improvement Data:	
Size:	22,596 Sq. Ft.
Year Built:	1994
Construct Type:	Brick and Concrete Block
Foundation:	Concrete Slab
Roof:	Flat
Parking:	Adequate Asphalt Surfaced
Confirmation:	James Porth - Thomas A. Duke Company (248) 476-3700
Unit Value:	$57.53 Per Square Foot of building including land.

Comp ID: 4263

COMPARABLE IMPROVED SALE - Strip Center COMP NO. 2



Address:	**Country Meadows Plaza** **16736 -16852 21 Mile Road** **At Garfield and 21 Mile Road** **Macomb Twp, MI**
Tax ID:	08-32-100-019, 022
Seller:	OEPT Realty Holding Company
Buyer:	CM Plaza Associates (LLC)
Date of Sale:	09-25-2002
Liber / Page:	12245/587
Sale Price:	$5,900,000
Zoning:	C-3, General Business
HBU:	Strip Shopping Center
Present Use:	Strip Center
Site Data:	
Size:	520,542 Sq. Ft. 11.950 Acres
Shape:	Irregular
Frontage:	689
Utilities:	All Available

Access: Main Road

Improvement Data:

Size: 91,343 Sq. Ft.

Year Built: 1987

Construct Type: Brick and Concrete Block

Foundation: Concrete Slab

Roof: Flat

Parking: Adequate Asphalt Surfaced

Comments: Broker reported GSI at time of sale of $914,301 per year, or $10/S.F., NNN. Expenses at time of sale of $356,412 per year reported by broker.

Confirmation: Marcus & Millichap (248) 352-5050

Unit Value: $64.59 Per Square Foot of building including land.

Comp ID: 4262

COMPARABLE IMPROVED SALE - Strip Center COMP NO. 3

Address:	**Strip Center** **234 S Gratiot Ave** **South of Cass.** **Mt Clemens, MI**
Tax ID:	11-14-333-043, 11-14-333-051
Seller:	Bed-Son B Shopping Center (LLC)
Buyer:	AKM Investments (LLC)
Date of Sale:	04-01-2003
Liber / Page:	14017/270
Sale Price:	$1,530,000
Zoning:	General Commercial
HBU:	Strip Shopping Center
Present Use:	Strip Center
Site Data:	
Size:	237,838 Sq. Ft. 5.460 Acres
Shape:	Irregular
Frontage:	630
Utilities:	All Available

Access: Main Road

Improvement Data:

Size: 22,300 Sq. Ft.

Year Built: 1998

Construct Type: Brick and Concrete Block

Foundation: Concrete Slab

Roof: Flat

Parking: Adequate Asphalt Surfaced

Comments: GSI derived from income at time of sale of $11 per sf/yr NNN as reported by seller. Market vacancy of 5% estimated by CoStar. Expenses at time of sale of $25,000 per year reported by seller.

Confirmation: Tom Marougi - Community Realty Investment brokerage (248) 855-6701

Unit Value: $68.61 Per Square Foot of building including land.

Comp ID: 4261

COMPARABLE IMPROVED SALE - Strip Center COMP NO.

Address:	**Clinton Corners** **43200 -43270 Hayes Road** **Just north of 19 Mile Road** **Clinton Twp, MI**
Tax ID:	11-06-351-019
Seller:	Jimmyjohn Properties, LLC
Buyer:	Matassa Investments, LLC
Date of Sale:	11-26-2003
Liber / Page:	15219/393
Sale Price:	$1,800,000
Zoning:	B-3, General Business
HBU:	Strip Shopping Center
Present Use:	Strip Center
Site Data:	
Size:	136,343 Sq. Ft. 3.130 Acres
Shape:	Irregular
Frontage:	282
Utilities:	All Available

Access: Main Road

Improvement Data:

Size: 15,548 Sq. Ft.

Year Built: 1989

Construct Type: Brick and Concrete Block

Foundation: Concrete Slab

Roof: Flat

Parking: Adequate Asphalt Surfaced

Comments: Broker reported GSI at time of sale of $196,360 per year, or $12.63/S.F. NNN. Vacancy at time of sale of 10% reported by broker. Expenses at time of sale of $35,000 per year reported by broker.

Confirmation: Robert J Pliska - Property Services Group (248) 637-9800

Unit Value: $115.77 Per Square Foot of building including land.

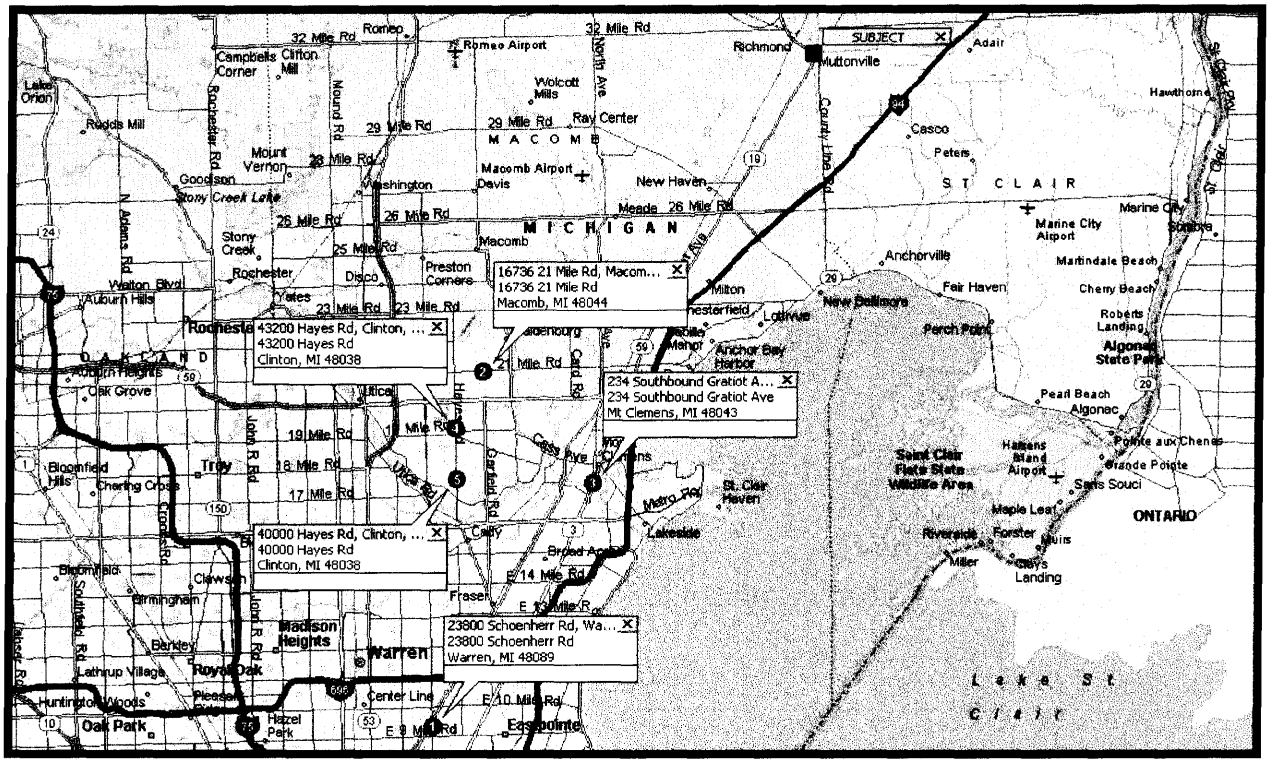
Comp ID: 2393

COMPARABLE IMPROVED SALE - Strip Center COMP NO. 5

Address:	**Countryside Plaza** **40000 Hayes Road** **South of 18 Mile Road** **Clinton Twp, MI**
Tax ID:	11-18-151-008, -016, and -017
Seller:	Richard Hammond, Tr
Buyer:	Joseph Paluzzi
Date of Sale:	08-27-2001
Liber / Page:	10864/658
Sale Price:	$1,710,000
Zoning:	B-2, Community Business
HBU:	Commercial
Sale History:	Land contract purchase, 15 years, $13,000/ month, considered similar to cash.
Present Use:	Strip Center
Site Data:	
Size:	168,907 Sq. Ft. 3.878 Acres
Shape:	Rectangular

Frontage:	397
Utilities:	All available at the street
Access:	Main Road
Site Comments:	Located among other retail developments, in an area where rental competition is stiff.
Improvement Data:	
Size:	22,500 Sq. Ft.
Year Built:	1978
Construct Type:	Brick and Concrete Block
Foundation:	Concrete Slab
Roof:	Flat
Parking:	Asphalt Surfaced
Comments:	The building has a new dryvit mansard
Confirmation:	Ron Saoud, REPS, Broker (810) 254-6800
Unit Value:	$76.00 Per Square Foot of building including land
Comments:	Tenants include Red Carpet Keim real estate, Aquatic Image, All Stars Billiards, Golden Gate Restaurant, etc. The leasing agent reported rent to be $7.50/SF nnn at the time of sale.

Comparable Sales Map



Sales Adjustment Grid

Item	Subject	Index #1	Index #2	Index #3
Address	67300 - 67500 Main Street Richmond	23800 Schoenherr Road, Warren, MI	16736 -16852 21 Mile Road, Macomb Twp, MI	234 S Gratiot Ave, Mt Clemens, MI
Price/S.F.		$57.53	$64.59	$68.61
Date of Sale		11-03	09-02	04-03
Building Size	155,685 S.F.	22,596 S.F.	91,343 S.F.	22,300 S.F.
Age	1981	1994	1987	1998
Design	Richmond Shopping Center	Strip Center	Strip Center	Strip Center
Land Size	862,787 S.F. 5.54	108,028 S.F. 4.8	520,542 S.F. 5.7	237,838 S.F. 10.7
Location	Main Road	Main Road	Main Road	Main Road
Other	$6.15	70% Occupied	$10 -38%	$11 -44%
Total Adj.		0	-38%	-44%
Adj. Price		$57.53	$40.05	$38.42

Item	Subject	Index #4	Index #5
Address	67300 - 67500 Main Street Richmond	43200 -43270 Hayes Road, Clinton Twp, MI	40000 Hayes Road, Clinton Twp, MI
Price/S.F.		$115.77	$76.00
Date of Sale		11-03	08-01
Building Size	155,685 S.F.	15,548 S.F.	22,500 S.F.
Age	1981	1989	1978
Design	Richmond Shopping Center	Strip Center	Strip Center
Land Size	862,787 S.F. 5.54	136,343 S.F. 8.8	168,907 S.F. 7.5
Location	Main Road	Main Road	Main Road
Other	$6.15	$12.63 -51.3%	$7.50 -18%
Total Adjustment		-51.3%	-18%
Adj. Price		$56.38	$62.32

The above data indicates a wide range of $57.53 to $115.77 per square foot.

The most significant factor when purchasing a strip shopping center is the income that it produces. As a result, the most significant adjustment for comparable sales is the rental rate. Those sales where the rental rate was unknown have been adjusted for factors that are likely to effect there income production.

The average rental rate for space currently leased within the subject is $5.72. In discussions with local brokers, including the subject lease agent, Bob Mihelich -

Trammell Crow Company (313) 442-4860, this anchor unit is expected to lease at a rate of $6.00/S.F. The remaining smaller units are expected to lease at rates that are similar to the adjacent units, say $12.00/S.F. Applying these rates to the remaining vacant units indicates an average lease rate of $6.15/S.F., NNN.

Index #1 is a small, unanchored strip shopping center located in Macomb County. It has been well maintained and was constructed in 1994. While rental income information was not available for this property, the broker reported that the building was only 70% occupied at the time of sale. Considering the high vacancy rate, no adjustment is considered necessary for this sale.

Index #2 is also a small, unanchored strip shopping center located in Macomb County. It has been well maintained and was constructed in 1987. At the time of sale the average rental rate was near $10.00 per square foot, net. The subject includes two very large anchor units, which will lease at a substantially lower rate. Accordingly, the overall rental rate for the subject is estimated to be very low, say $6.15/S.F., NNN. Considering that most strip shopping centers are purchased based on their estimated income production, a downward adjustment of, say, 38% is used to reflect the subject's lower overall estimated rental rate.

Index #3 is a newer small, unanchored strip shopping center located in Macomb County. It has been well maintained and was constructed in 1998. At the time of sale the average rental rate was near $11.00 per square foot, net. A downward adjustment of, say, 44% is used to reflect the subject's lower overall estimated rental rate.

Index #4 is a small, unanchored strip shopping center located in Macomb County. It has been well maintained and was constructed in 1989. At the time of sale the average rental rate was near $12.63 per square foot, net. A downward adjustment of, say, 51.3% is used to reflect the subject's lower overall estimated rental rate.

Index #5 is a newer small, unanchored strip shopping center located in Macomb County. It has been well maintained and was constructed in 1978. At the time of sale the average rental rate was near $7.50 per square foot, net. A downward adjustment of, say, 18% is used to reflect the subject's lower overall estimated rental rate.

After adjusting for differences between the subject and comparable sales, a more narrow range of $38.42 to $62.32 per square foot is indicated. These five sales indicate a median sale price near $55.00 per square foot. The subject is a good quality strip shopping center that fronts on a main road. Placing equal credence

on all six sales, it is the appraiser's opinion that the market value of the subject is resolved at $55.00 per square foot of building including land.

155,685 S.F.	x	$55.00/S.F. =		$8,562,675
			Say	$8,560,000

Required Repairs:

As in the income approach to value, the appraiser has reflected the cost to cure the parking lot pole lighting. There are at least two light poles that are broken. One of them is completely missing, except for the base, and the other is toppled over at the base. There are 18 poles, and most purchasers would reflect the cost of replacing the pole lighting when purchasing the property.

The cost to cure was estimated at $117,000 earlier in this report in the income approach to value. Deducting the cost to cure of $117,000 indicates a value of, (8,563,000 - $117,000) say, $8,450,000.

EXPOSURE TIME AND MARKET CONDITIONS

The estimate of market value implies that a property be exposed to the market for a reasonable amount of time. According the Uniform Standards of Professional Appraisal Practice (USPAP) rule 2-1 (B), "the appraiser should be specific as to the estimate of exposure time linked to the value estimate". Exposure time may be defined as follows:

> The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. (USPAP, 1994 edition, Statement on Appraisal Standard No. 6)

There are several ways to estimate marketing time. Information may be considered from various sources including:

1) Statistical information about days on market
2) Information gathered through sales verification
3) Interviews of market participants
4) Anticipated changes in market

The subject is a fourteen-unit strip shopping center that was built in 1981. Ten of the fourteen units are currently occupied. Those tenants include: CVS Pharmacy, Hallmark, Super Nails, The Cleaners, Tropical Tan, Glik's, New York Deli, Radio Shack, Grondins and Kmart. It is in good condition and located in a growing area with some competition in the immediate area. However, the subject benefits from a superior location with superior visibility. This makes the property attractive to a wide variety of investors.

The appraiser has discussed marketing time with various sellers, brokers, and those involved in commercial real estate transactions. Based on these discussions, the appraiser has found that small to moderate sized strip shopping centers usually sell within six to twelve months exposure to the market. Therefore, it is the appraiser's opinion that exposure time for the subject is likely to be six (6) to nine (9) months in length.

RECONCILIATION

Estimated Value:

Cost Approach:	Not Applicable
Income Capitalization Approach:	$7,700,000
Sales Comparison Approach:	$8,450,000

The subject has been analyzed using the income, and sales comparison approaches to value. Both approaches indicate a reasonable range in value, and both approaches reflect required repairs for new parking lot lights. However, most credence is placed in the income capitalization approach.

Within the income approach, the appraiser has analyzed the value of the leased fee and fee simple estates. The fee simple estate reflects the current market rate and indicates the higher value. Since this approach best reflects the reasoning used by the typical purchaser of this type of property, most credence is placed in this approach.

The sales comparison approach indicates a lower value to the subject's fee simple estate. Within the sales comparison approach, the appraiser has adjusted comparable sales to reflect differences between the rental rates of the time of sale, and the subject's market rent. A very narrow range was indicated, and generally supports the value indicated within the income approach.

The next two years are a critical time for the subject center. If either Kmart or tenant decides not to renew their lease, CVS has the option to cancel their lease. Such a loss would likely cripple the shopping center. This is especially significant with the third anchor recently vacating the center. Although not considered likely, there is some risk associated with this critical juncture. Should both tenants continue their leases, the value of the center is likely to increase significantly. If either anchor tenant decides to vacate, the subject's value is likely to decrease significantly. The lower value indicated by the income approach reflects this risk.

The purpose of the appraisal is to estimate the value of the subject's leased fee estate. Current rents and their impact are best analyzed in the income capitalization approach. Since most credence is placed in the income capitalization approach, it is my opinion market value of the subject's leased fee estate be resolved at $7,700,000.

QUALIFICATIONS OF THE APPRAISER

MICHAEL F. KURSCHAT, MAI, ASA, MSF

PROFESSIONAL ORGANIZATIONS:

Appraisal Institute: MAI Designation
American Society of Appraisers: Designated Senior Member
Real Property - Urban Specialty
Past President, Detroit Chapter, 1996-1997.
The Appraisal Institute and the American Society of Appraisers have mandatory recertification programs for all senior members. I am in compliance with the requirements of their programs.

ACADEMIC:

Master of Science in Finance, 1990, Walsh College, Troy, Michigan.
Bachelor of Business Administration, 1986, Walsh College, Troy, Michigan.

TECHNICAL COURSES:

Standards of Professional Practice "B". January, 1994.
Standards of Professional Practice "A". July, 1993.
Report Writing and Valuation Analysis. July, 1991.
Case Studies in Real Estate Valuation. July, 1991.
Capitalization Theory and Techniques "B". May, 1991.
Capitalization Theory and Techniques "A". June, 1990.
Standards of Professional Practice. April, 1988.
Appraisal Principles (Exam Only). January, 1988.
Introduction to Appraising Real Property. December, 1987.
Estate and Gift Tax (Walsh College)
Advanced Investments (Walsh College)
Business Research and Communications (Walsh College)
Instructed: Gas Station Appraisals, ASA International Appraisal Conference in Houston, TX, June, 1997.
Instructed: "Exam Preparation: Workshop for Residential and Commercial Certification" - September 21-22, 1991.

LICENSE:

State of Michigan - State Certified Real Estate Appraiser - Permanent I.D. #1201000673

APPRAISAL EXPERIENCE:

President of Kurschat & Company since May, 1994. Employed by Robert R. Butcher, ASA, from June, 1987 through April, 1994. Appraisal experience includes proposed and existing apartment complexes, condominium complexes, shopping malls, office buildings, industrial buildings, engineering buildings, single family residences, industrial processing plants, vacant land, proposed subdivisions, mobile home parks, island residence, auto wash facilities, automobile service stations, summer resort, etc.

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES

K914185

BOARD OF REAL ESTATE APPRAISERS
CERTIFIED GENERAL APPRAISER
LICENSE

Michael Frederick Kurschat
2075 W Big Beaver
Suite 222
Troy MI 48084

PERMANENT I.D. NO.	EXPIRATION DATE	
1201000673	07/31/2005	0818087

THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF MICHIGAN

ENGAGEMENT LETTER

JUN-29-2004 TUE 04:36 PM WARREN BANK FAX NO. 1 P. 01/05

WARREN BANK

Date: June 23, 2004

Michael Kurschat, MAI
Kurschat & Company
2075 W. Big Beaver Rd., Suite 420
Troy, MI 48084

Dear Michael:

This is your engagement letter to prepare an appraisal on the following property:

Richmond Shopping Center located at 67300-67500 Main Street, Richmond, MI

Contact Person: Peter Beer or Ben Sorrentino (Borrower) @ (248) 557-1191 or Attorney for (Seller/owner) John Beeding (586) 783-0000

Legal description: See Attached Title work

The purpose of the appraisal is to estimate the market value of the fee simple estate.

Standards of Performance Appraiser agrees to exercise independent judgment and to complete the appraisal assignment in accordance with sound appraisal practice and the Code of Professional Ethics and Standards of Professional Conduct of the American Institute of Real Estate Appraisers and the appraisal standards as established by the Office of the Comptroller of the Currency, a copy of which is enclosed.

Time for Performance The assignment shall be completed within ~~X days~~ 4 weeks of acceptance of the appraisal contract.

Copies Appraiser agrees to provide client with ~~two (2)~~ three (3) copies of the written appraisal reports.

Fees Client agrees to pay Appraiser, as total compensation for the professional appraisal services to be rendered hereunder, a fee of $4500.00 upon delivery and review of the appraisal reports.

If you agree with the terms specified within this letter, please sign below, dating and mailing one copy of this letter back to me.

Respectfully,

W. Bradford Quail,
Vice President

Accepted by: ______________________

Date: 7-29-04

30068 Schoenherr • Warren, MI 48088 • 586 498.3300 • fax 586 498.3310 • www.warrenbank.net
MEMBER FDIC

CERTIFICATE OF VALUE

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment. My engagement in this assignment was not contingent upon developing or reporting pre-determined results. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.

My analyses, opinions, and conclusions were developed and this report have been prepared in conformity with Title XI of the Federal Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Uniform Standards of Professional Appraisal Practice, the Codes of Ethics and Standards of the Appraisal Institute and American Society of Appraisers.

I, Michael F. Kurschat, have made a personal inspection of the property that is the subject of this report. Gregory Laikind, Limited Real Estate Appraiser Lic.#1201070700 provided significant professional assistance to the person signing this report.

It is my opinion market value of the property, as of July 10th, 2004, is:

Seven Million Seven Hundred Thousand Dollars...... ($7,700,000)

Michael F. Kurschat, MAI, ASA, M.S.F.
President/Appraiser
Real Estate Appraiser - Lic.#1201000673

File 407-103